

**MINUTES OF SPECIAL MEETING
ILLINOIS GAMING BOARD
December 3, 2002
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

A Special Meeting of the Illinois Gaming Board (“Board”) was held on December 3, 2002 to discuss and review presentations given by IGT, Aristocrat Technologies, and Bally Gaming, Inc. on ticket vouchering technology. The Board met in the Las Vegas Banquet Room of Harrah’s Casino, Joliet at 151 N. Joliet Street in Joliet, Illinois.

The following Board Members were present: Chairman Elzie Higginbottom and Members Ira Rogal, Violet Clark, and Gary Peterlin.

The meeting convened at 10:06 A.M.

Chairman’s Report

Chairman Higginbottom announced that the Board has a new member, William Dugan, and that Mr. Dugan would not be participating in today’s (December 3, 2002) Special meeting nor will he be participating at the December 9, 2002 Regular meeting, due to the fact that he is on vacation. Chairman Higginbottom stated that Mr. Dugan has a wealth of experience to share with the Board, and that he will make a fine contribution to the Board.

Supplier Licensees

IGT- PRESENTATION OF TICKET VOUCHERING TECHNOLOGY – John Janicik, attorney, and Steve Miller, Senior Business Manager for IGT, were present on behalf of IGT. Mr. Miller provided the Board with a presentation and brochures that provided a quick overview of IGT’s Ticket In Ticket Out (TITO) system. Mr. Miller also provided the Board with information on how IGT’s Easy Pay System works, how games interact with TITO, and an overview of the features that the new technology has to offer. Mr. Miller stated that IGT started the Ticket In Ticket Out system two years ago and currently have close to 100 systems installed.

Member Peterlin asked if IGT’s TITO system is interstate or just intrastate. Mr. Miller stated that at this point in time IGT is just dealing with intrastate and that IGT is not looking to go across State lines at this time. Mr. Miller stated that going across the State lines would create a challenge as it relates to gaming regulator concerns.

Chairman Higginbottom asked if IGT has utilized the TITO system in cross property validation with other operations. Mr. Miller stated that the technology is available and the functionality is built into the TITO system for cross property validation; however, Mr. Miller stated that cross property validation is not “live” in any jurisdiction as of yet. Mr. Miller

stated that IGT plans on submitting a proposal on cross property validation to gaming labs and the State of Nevada within the next calendar year. Mr. Miller stated that IGT would run a test on cross property validation in the State of Nevada with one of IGT's corporate customers by the summer of 2003.

Member Clark asked if there have been any complaints from the patrons regarding playing with cash versus tickets. Mr. Miller stated that there was an overwhelming response to how well and how fast a lot of the regular patrons accepted the new system. Mr. Miller stated that the most popular response that he has heard from patrons is that they don't have to worry about their hands getting dirty from the coins when playing the slot machines.

With regard to IGT's player cash-out options - where a player can switch from the redeemable ticket to cash - Administrator Parenti asked that if the Board decided to set a limit on the amount of cash a patron could receive, could a patron avoid that amount when they see that they are reaching the maximum amount by switching from card to cash. Mr. Miller stated that it was not possible.

Administrator Parenti asked if IGT's system is wireless. Mr. Miller stated that IGT's system is not wireless; however, the wireless option is a feature that IGT installs per the customer's request based on the approval of the regulatory body. Mr. Miller briefed the Administrator on the security problems with the wireless system.

Mr. Miller provided the Board with a demonstration of IGT's TITO system.

ARISTOCRAT TECHNOLOGIES/CDS – PRESENTATION OF TICKET VOUCHERING TECHNOLOGY - Walt Stowe, Vice President of Legal and Compliance for Aristocrat Technologies and Joe Buda, Senior Trainer, were present on behalf of Aristocrat Technologies.

In regards to security, Administrator Parenti asked Mr. Stowe if a patron has a ticket that is damaged but knows the barcode, does the cashier have authorization to punch in the barcode by word of mouth from the patron or would the cashier be suspicious. Administrator Parenti asked what the procedures were if a patron has a damaged ticket but the patron knows the barcode.

Mr. Stowe stated that the cashier would be suspicious of how the patron knew the barcode. Mr. Stowe stated that the patrons are aware that the tickets are equivalent to currency and that if the patron allows the ticket to get out of their control they run the risk of losing it. Mr. Stowe stated that it would be hard for someone to copy the ticket number unless a patron looked closely over another patron's shoulder.

Mr. Buda provided the Board with a brief overview of Aristocrat's Oasis Casino Management System. Mr. Buda stated that Aristocrat's previous owner, CDS, had been installing Ticket In Ticket Out (TITO) systems since the mid 1990's. Mr. Buda stated that

Aristocrat has experience with the TITO system. Mr. Buda provided the Board with detailed information on the functionality of the Oasis ticket redemption; how a ticket redemption is performed; key ticketing reports, such as ticketing liability reports, ticket audit counts and audit logs; and ticket drops. Mr. Buda discussed the diagnostic monitor, which is a program included in Aristocrat's Oasis System that allows the history of a ticket to be viewed by game.

Mr. Buda provided the Board with a demonstration of Aristocrat's Oasis Casino Management System.

BALLY GAMING, INC. – PRESENTATION OF TICKET VOUCHERING TECHNOLOGY – Patrick Crawford, Manager of Product Compliance, was present on behalf of Bally Gaming, Inc. Mr. Crawford provided the Board with a brief presentation and a handout that provided an overview of Bally's Ticket In Ticket Out (TITO) system. Mr. Crawford's presentation covered three key components of Bally's system: the game monitoring unit (GMU); the cashier's station; and the soft count station.

Mr. Crawford provided the Board with a demonstration of Bally's TITO system.

Member Clark asked how the patron would be able to redeem his or her money if the validation database or the central computer should shut down.

Mr. Crawford stated that when a patron enters his or her ticket into the game, the system verifies if the validation number is good. If it is not good or if the system is down, it would reject the ticket. Mr. Crawford stated that at the point where the system does not take the ticket, a supervisor then checks the system and calls technical support. Mr. Crawford stated that one of the security features of the system is that when the central computer is off line, the game does not permit the patron to use the TITO system, and the patron would have to see the cashier to "cash out."

Administrator Parenti asked how many states does Bally Gaming, Inc. have TITO systems operating.

Mr. Crawford stated that Bally Gaming, Inc. has TITO systems operating in over seven states.

Administrator Parenti asked how Bally Gaming, Inc.'s system differs materially from Aristocrat's or IGT's systems.

Mr. Crawford stated that Bally's system differs materially from IGT in terms of the one wire verses two-wire solution. Mr. Crawford stated that IGT uses the two-wire solution, which means that you have one wire for the validation and one wire for the entire system. Mr. Crawford stated that Bally, as well as Aristocrat uses the one wire system.

Chairman Higginbottom announced that the demonstrations at today's special meeting is the first step in the Board's process in rule changes that are necessary in order for the Board to implement the ticket vouchering technology in Illinois.

Deputy Chief Legal Counsel, Jeannette Tamayo, stated that Staff's goals are to draft new rules and amend existing rules. Ms. Tamayo stated that Staff has a total of 25 rules that Staff would be presenting to the Board at the December 9, 2002 Regular Board meeting, which at that time Staff would be asking for the Board's permission to disseminate to the licensees and members of the public who are interested for their comment. Ms. Tamayo stated that Staff would like to receive comments in time for the January 21, 2003 Regular meeting, at which time Staff anticipates to request the Board's permission to file the rule with the Secretary of State's Office to start the rule-making process. Ms. Tamayo stated that during the rule-making process, there would be an additional 45-days public comment period. Ms. Tamayo stated that at the conclusion of the 45-day public comment period, Staff would review all of the public comments and return to the Board with any further recommendations. Ms. Tamayo stated that Staff would then ask permission to proceed towards final adoption. Ms. Tamayo stated that one of the goals in drafting the rules is making sure that there is an open and competitive environment that allows all of the various systems, regardless of their technical differences, to be able to compete in the Illinois market. Ms. Tamayo stated that another one of Staff's goals is to ensure that there is clear accountability at the "back of the house" for the transactions that occur as a result of ticketing.

Administrator Parenti stated that the Board and Staff are grateful for the fine presentations by all three supplier licensees. Administrator Parenti stated that the process will be open and competitive, and that the Board and Staff will do what is best for the integrity of gaming in the State of Illinois.

Chairman Higginbottom thanked the presenters for their presentations. Chairman Higginbottom stated that the presenters did an excellent job and that their presentations were very informative.

At 11:40 A.M. Member Rogal moved that the Board adjourn. Member Peterlin seconded the motion. The Board approved the motion unanimously by voice vote.

At approximately 12:00 P.M., the Board members took an informational tour of Harrah's Casino, Joliet.

Respectfully submitted,
Monica Thomas

Secretary to the Board